

## **CHAPTER 2**

### **REVIEW OF RELATED LITERATURE**

#### **2.1. Previous Research**

Brewer and Speh (2000), examines how the balanced scorecard can be used to develop a framework for assessing supply chain performance and the extent to which SCM principles have been adopted. They provide the examples of supply chain measures that fit within the balanced scorecard framework. This new approach offers four primary benefits. First, it emphasizes the interfunctional and interfirm nature of supply chains and recognizes the need to ascertain the extent to which firms effectively work together and the extent to which functions are coordinated and integrated. Second, the framework will increase the chance that a "balanced" management approach is indeed practiced within firms and among supply the chain partners. Third, the example measures are suggestions that may stimulate management to create other measures appropriate to their unique circumstances. Fourth, use of this novel approach should help employees and managers focus attention on achieving goals that are beyond the typical measures of performance used within firms.

#### **2.2. Current Research**

In this thesis, the Balanced Scorecard performance measurement system that fit within the supply chain

management (as provided by Brewer and Speh, 2000) is implemented and adjusted to measure supply chain performance of a small-medium enterprise in Yogyakarta, SP Alumunium. From this research, it is expected that a set measures (metrics) are identified that could support the performance measurement and allow decision making for SP Alumunium in the future.

